

Federal Compliance Audit

**Green Mountain Transit Authority**

June 30, 2019



*Proven Expertise & Integrity*













































































GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor Pass-through Grantor Program Title or Cluster	Federal CFDA Number	Pass-Through Grantor Identifying Number	Total Federal Expenditures	Expenditures to Subrecipients
<b>U.S. DEPARTMENT OF TRANSPORTATION:</b>				
Federal Transit Cluster:				
Direct Programs:				
Federal Transit Capital Investment Grants - Capital Assistance Program	20.500	VT-03-0048	\$ 11,560	\$ -
Federal Transit Capital Investment Grants - Capital Assistance Program	20.500	VT-04-0011	1,721	-
Passed through State of Vermont, Agency of Transportation:				
Federal Transit Capital Investment Grants - Capital Assistance Program	20.500	VT-04-0021	107,060	-
			<u>120,341</u>	<u>-</u>
Direct Programs:				
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-90-0072	17,876	-
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-2016-001	8,845	-
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-2018-002	14,647	-
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-2019-004	125,592	-
Federal Transit Formula Grants - Preventive Maintenance	20.507	VT-2018-001	895,543	-
Federal Transit Formula Grants - Preventive Maintenance	20.507	VT-2018-001	516,112	-
Federal Transit Formula Grants - Preventive Maintenance	20.507	VT-2019-004	718,141	-
Federal Transit Formula Grants - Operating	20.507	VT-2017-006	475,227	-
Federal Transit Formula Grants - Operating	20.507	VT-2018-002	2,829,993	-
Federal Transit Formula Grants - Operating	20.507	VT-2019-003	91,252	-
Federal Transit Formula Grants - CMAQ Operating	20.507	VT-95-0017	3,513	-
Federal Transit Formula Grants - CMAQ Operating	20.507	VT-2016-001	245,033	-
Federal Transit Formula Grants - CMAQ Operating	20.507	VT-2017-005	750,977	-
Federal Transit Formula Grants - CMAQ Operating	20.507	VT-2018-001	29,400	-
Federal Transit Formula Grants - CMAQ Operating	20.507	VT-2019-004	23,416	-
Passed through State of Vermont, Agency of Transportation:				
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-2019-005	1,067,976	-
			<u>7,813,543</u>	<u>-</u>
Passed through State of Vermont, Agency of Transportation:				
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2017-003	79,104	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2018-003	15,990	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2019-001	80,018	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2018-007	448,968	-
			<u>624,080</u>	<u>-</u>
Subtotal Federal Transit Cluster			<u>8,557,964</u>	<u>-</u>

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor Pass-through Grantor Program Title or Cluster	Federal CFDA Number	Pass-Through Identifying Grantor Number	Total Federal Expenditures	Expenditures to Subrecipients
Passed through State of Vermont, Agency of Transportation: Highway Planning and Construction - FHWA Capital	20.205	101-TB-LG03	2,709	-
Passed through Chittenden County Regional Planning Commission (CCRPC):				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research - CCRPC	20.505	PL 2019-04	321,872	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research - Rural Planning	20.505	VT-2018-004	8,183	-
Subtotal Highway Planning and Construction			<u>332,764</u>	<u>-</u>
Passed through State of Vermont, Agency of Transportation:				
Formula Grants for Rural Areas and Tribal Transit Program - Admin	20.509	VT-2018-008	548,221	-
Formula Grants for Rural Areas and Tribal Transit Program - Capital Assist	20.509	VT-2018-005	39,703	-
Formula Grants for Rural Areas and Tribal Transit Program - Operating As	20.509	VT-2018-005	600,000	-
Formula Grants for Rural Areas and Tribal Transit Program - Preventive M	20.509	VT-2018-008	581,779	-
Formula Grants for Rural Areas and Tribal Transit Program - E&D - Washington, Franklin & Grand Isle Counties - Rural	20.509	VT-2018-008	1,074,019	-
Formula Grants for Rural Areas and Tribal Transit Program - RTAP	20.509	VT-2018-005	18,000	-
Formula Grants for Rural Areas and Tribal Transit Program - CMAQ US2 Commuter/Stowe/Capital Shuttle	20.509	VT-2018-008	300,000	-
Subtotal Formula Grants for Rural Areas and Tribal Transit Program			<u>3,161,722</u>	<u>-</u>
Passed through State of Vermont, Agency of Transportation:				
Enhanced Mobility of Seniors and Individuals with Disabilities - Capital Assistance Program	20.513	VT-2018-006	332,407	-
Enhanced Mobility of Seniors and Individuals with Disabilities - Capital Assistance Program	20.513	VT-2018-006	6,206	-
Enhanced Mobility of Seniors and Individuals with Disabilities - Capital Assistance Program	20.513	VT-2018-006	67,140	-
Subtotal Enhanced Mobility of Seniors and Individuals with Disabilities			<u>405,753</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 12,458,203</u>	<u>\$ -</u>

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal awards activity of Green Mountain Transit Authority under programs of the federal government for the year ended June 30, 2019. The federal awards activity presented in the Schedule includes all federal awards received directly from federal agencies as well as federal awards passed through other government agencies. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Since the Schedule presents only a selected portion of the operations of the Green Mountain Transit Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Green Mountain Transit Authority.

2. Summary of Significant Accounting Policies

- a. Expenditures presented on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The Green Mountain Transit Authority elected to use a 9.55% fixed indirect cost rate for fiscal year 2019, as approved by the Federal Transit Administration. The approved fixed indirect cost rate used by Green Mountain Transit Authority in fiscal year 2019 is calculated using an indirect cost rate base type of modified total direct costs.

3. Major Programs - Federal

The following programs were considered major programs as defined by the Uniform Guidance and also Type A programs as defined by the Uniform Guidance. These programs were tested due to the Agency being classified as low-risk as defined in the Uniform Guidance:

<u>Program</u>	<u>CFDA #</u>
Federal Transit Cluster	20.500/20.507/20.526



Proven Expertise & Integrity

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Green Mountain Transit Authority  
Burlington, Vermont

We have audited, in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the major fund of the Green Mountain Transit Authority as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Green Mountain Transit Authority's basic financial statements and have issued our report thereon dated February 10, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Green Mountain Transit Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Green Mountain Transit Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Green Mountain Transit Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609  
www.rhrsmith.com

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Green Mountain Transit Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Buxton, Maine  
Vermont Registration No. 092.0000697  
February 10, 2020





Proven Expertise & Integrity

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Board of Commissioners  
Green Mountain Transit Authority  
Burlington, Vermont

### Report on Compliance for Each Major Federal Program

We have audited Green Mountain Transit Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Green Mountain Transit Authority's major federal programs for the year ended June 30, 2019. Green Mountain Transit Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Green Mountain Transit Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Award* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Green Mountain Transit Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708      (207) 929-4606      Fax: (207) 929-4609  
www.rhrsmith.com

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Green Mountain Transit Authority's compliance.

#### Opinion on Each Major Federal Program

In our opinion, Green Mountain Transit Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

#### Report on Internal Control Over Compliance

Management of Green Mountain Transit Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Green Mountain Transit Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Green Mountain Transit Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this communication is not suitable for any other purpose.

Buxton, Maine  
Vermont Registration No. 092.0000697  
February 10, 2020

DRAFT

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019

**Section I - Summary of Auditor's Results**

• *Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  no
- Noncompliance material to financial statements noted?  yes  no

• *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported  
In accordance with 2 CFR 200.516(a)  yes  no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.500/20.507/20.526	Federal Transit Cluster

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee?  yes  no

**Section II – Financial Statement Findings**

None

**Section III – Federal Awards Findings and Questioned Costs**

None